



Attorney General Jon Bruning

NEWS RELEASE

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AG Bruning Files Objection in GM Bankruptcy Proceedings on Behalf of Nebraska and 36 Other States

Note: For a copy of the objection that was filed in federal bankruptcy court today, please e-mail leah.bucco-white@nebraska.gov.

(Lincoln, Neb) Attorney General Jon Bruning today filed an objection in the General Motors (GM) Bankruptcy proceedings on behalf of Nebraska and 36 other states. The federal court action comes after GM's recent claims that it can ignore state laws that protect dealerships.

By circumventing state laws, GM eliminates dealer protections. GM, which will be majority-owned by the federal government, insisted that current dealers sign a new dealership agreement if they want to be part of the new operation. The new dealership agreements give the new GM complete control over the dealers beyond anything that would be allowed by law. The new agreements amount to take-it-or-leave-it ultimatums that force current dealers to waive state laws that were enacted to protect them. If dealers don't sign the contract, they'll lose their business.

"The attorneys general have grave concerns over what GM is doing," said Bruning. "Ignoring state law is not only illegal, it's just plain bad business, and we're going to try and stop it."

Bruning said that rural states, like Nebraska, are already disproportionately impacted by GM's proposed closing of dealerships. The closure of dealerships would mean people in some rural areas will have to drive hundreds of miles to get their car serviced.

According to the Nebraska Motor Vehicle Industry Licensing Board, there are 72 franchised GM auto dealers in the state.

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